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The President's Daily Brief

October 29, 1974

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~~*Top Secret*~~ 25X1

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ARAB STATES

The Arab heads of state have endorsed the Palestine Liberation Organization as the sole authority over the Palestinians in the Israeli-occupied West Bank and granted the PLO a greater role in negotiating for the return of the area. This action eliminates prospects for early negotiations over the West Bank with the Israelis, who will have nothing to do with the PLO.

By granting the PLO its maximum demands, the Arabs will be forced to rethink how they will proceed with the next phase of negotiations. A mini-summit reportedly will be held in Algiers soon, presumably to decide whether to pursue further military disengagement in the Sinai and the Golan Heights or to press for a reconvening of the Geneva forum.

Jordan's acceptance of the endorsement of the PLO is being hailed as a victory for Arab unity, but the action is a flat repudiation of King Husayn's arguments that only Jordan can negotiate with Israel and that the ultimate fate of the West Bank should be determined by plebiscite.

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The official announcement of the summit decision called on Egypt, Syria, Jordan, and the PLO to coordinate a formula for Arab negotiating strategy.

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The one-sided summit decision is also clearly a failure for Sadat's assiduous efforts to reconcile the rival claims of Jordan and the PLO. The Syrians in particular appeared determined to secure a full-fledged endorsement of Palestinian sovereignty over the West Bank. [redacted] 25X1

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EUROPEAN COMMUNITIES

The EC Commission has endorsed the plans of eight EC members to join several other nations in an emergency oil-sharing program. The Commission warned, however, that participation in that program must not prevent the sharing of oil with the French, who refuse to participate.

The Commission ruling could enable France to be involved indirectly in the international plan. Commission Vice President Simonet has publicly warned of the possibility of conflict between the oil-sharing program and EC treaty provisions for free circulation of goods. He suggested that there would be no conflict if the eight would make a formal commitment to share oil with France. The international oil-sharing plan would not restrict its members from sharing oil with nonparticipants.

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WEST GERMANY

Sunday's state elections went badly for the Social Democratic and Free Democratic parties.

In Hesse, where the Social Democrats have been dominant since the war, the Christian Democrats won more votes than the other parties but fell short of a majority. The Social Democrat and Free Democrat coalition partners, with just over 50 percent of the votes between them, will be able to retain control of the state government.

The conservative Christian Social Union of Franz-Josef Strauss won a record 62 percent of the vote in Bavaria, and made unusually strong gains in urban areas at the expense of the Social Democrats. The Free Democrats took only 5.2 percent of the vote in Bavaria, barely surpassing the 5-percent minimum required for representation in the state legislature.

It is too early to tell what repercussions the election results will have on the governing Social Democrat - Free Democrat coalition in Bonn. The state contests were fought mainly over local issues, and the outcome is probably not an accurate gauge of Chancellor Schmidt's popularity. Barring the unforeseen, national elections are two years away. Nonetheless, the coalition partners' losses were worse than expected, and this will certainly encourage dissidents within both parties to press for a greater voice in party policy.

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NOTES

Japan: A recent flurry of press allegations about financial corruption is adding to Prime Minister Tanaka's political problems and is feeding rumors that he will be forced to resign by the end of the year. Over the weekend, the US embassy forwarded a brief assessment that concludes there is very little chance of a cabinet crisis before your visit. The embassy notes, however, that a serious political challenge to Tanaka could come when the Diet convenes shortly after you leave. 25X1

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China - North Vietnam: Peking and Hanoi on October 26 signed agreements on Chinese military and economic aid and bilateral trade for 1975. As usual, no details were announced. An editorial in the North Vietnamese party newspaper said the aid would be used for reconstruction in North Vietnam and for the war in the South. Chinese statements put more stress on the need to shore up Hanoi's economy, with little mention of the military situation. The North Vietnamese delegation that signed the agreement got the usual warm treatment. Its members talked with senior Chinese military and economic leaders and were received by Premier Chou En-lai in a Peking hospital.

USSR: The Soviets launched an unmanned lunar probe yesterday, and it will probably arrive in the vicinity of the moon on Saturday. We cannot tell yet whether the probe will land on the moon or orbit it. The last Soviet lunar probe was launched on May 29, 1974.

South Africa - Mozambique: Pretoria is taking the initiative to establish working relations with the new, black-dominated, transitional government in Mozambique. One of Prime Minister Vorster's senior aides is scheduled to visit Lourenco Marques this week for talks with top officials. The South Africans have been encouraged by the transitional regime's moderate attitude toward Pretoria. The Vorster government has insisted publicly that it will deal with any black government that wants to maintain constructive relations, and the South Africans have good reason to believe that Mozambique wishes to retain the substantial economic benefits of cooperation with Pretoria.

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